

: Transit Benefits Increase In January

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Transit Benefits Increase Up to \$110 Per Month Starting January 1, 2007

Transit riders who use federal transit tax benefits to help pay for part of their commuting costs will receive another holiday present on January 1 when the monthly maximum for tax-free transit benefits increases from \$105 to \$110.

"This is good news for transit riders and their employers," said American Public Transportation Association President William W. Millar. "Every year millions of people take public transportation to commute to and from work and this program helps pay for the cost of traveling to a job."

There are three ways an employee can receive the transit benefit. The first way is to receive up to \$110 a month in tax-free benefits paid by the employer. How much an individual receives depends on the cost of the transit commute. This benefit will pay for commuting costs on all modes and combinations of public transportation and vanpool commuting costs.

A second way is for employees to pay for commuting costs using pre-tax payroll deductions. Similar to flexible medical or child-care accounts that are offered by the employer, the transit benefit program allows employees to use pre-tax dollars to pay for commuting costs. Starting in January, employees will be able to take pre-tax payroll deductions up to \$110 per month.

In addition, a combination of the two programs can be used.

"Employers like this program because it helps get employees to work on time," said Millar. "Public transportation will not only help your employees get to work, but it also has a proven track record of helping to reduce traffic congestion."

According to the latest report by the Texas Transportation Institute, which studied 85 cities in 2003, public transportation saved 1.1 billion hours in travel time. The study found that the average annual delay per traveler has climbed from 16 hours in 1982 to 47 hours in 2003. Without public transportation, travel delays would have increased by 27 percent to 60 hours per traveler.

If you want to talk to your employer about starting a transit benefit program, suggest that they go to the Best Workplaces for Commuters' web site at www.bwc.gov. It lists a variety of companies, including top Fortune 500 companies that offer transit benefits.

"When you talk to your employer about starting a transit benefit program, be sure to explain that they can deduct their costs for providing transit benefits as a normal business expense and an attractive incentive benefit for employees," concluded Millar.

For more information on transit benefits, go to www.publictransportation.org

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